

## An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818

February 26, 2009

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Marvin Fong

Kathryn Inouye

Marcia Klompus

Kenneth Marcus

Alan Tamayose

Members Absent

Alexander Kane, Jr.

Nelson Oyadomari

Staff

Scott Chan

Lois Manin

Andrew Chang

Deborah Ishihara

Stephen Lee

Alan Arato

Engel Garcia

Shawn Nagata

Liane Nakagawa

Shelly Shoji

Ming-Yang Tan

#### Others

Randall Nishiyama, Deputy Attorney General

Russ Saito, DAGS Comptroller

Jim Donovan, UH Athletics Director

Davy Murayama, Centerplate General Manager

Roseann Chang, Centerplate, Swap Meet Manager

Glen Higa, General Manager, Aloha Sports Properties

Neumann Shim, Vendors' Association

# I. <u>CALL TO ORDER</u>

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m.

## II. APPROVAL OF MINUTES OF THE JANUARY 29, 2009 MEETING

Member Ahina made a correction by adding a closed parenthesis on page 9, fourth paragraph, second sentence, after the word meeting.

ON A MOTION BY MEMBER INOUYE TO ACCEPT THE MINUTES OF THE JANUARY 29, 2009 MEETING, AND SECONDED BY MEMBER FONG, THE BOARD UNANIMOUSLY APPROVED THE MINUTES AS CORRECTED.

ON A MOTION BY MEMBER FONG TO ACCEPT THE EXECUTIVE SESSION MINUTES OF THE JANUARY 29, 2009 MEETING, AND SECONDED BY MEMBER TAMAYOSE, THE BOARD UNANIMOUSLY APPROVED THE MINUTES.

#### III. MONTHLY REPORT

#### A. Chairman's Report

Chairman Chong Kee updated the Stadium Authority (Authority) on the following bills that are before the Legislature:

- HB-3 Transferring Aloha Stadium to the University of Hawaii
- HB-4 Acquisition of new land for the stadium
- HB-767 Rewrite the membership and appointment process of the Stadium Authority
- HB-818 Super Bowl Task Force to bring Super Bowl to Hawaii
- SB-382 (same as HB-767)
- SB-384 Provide an additional position on the Board for a member of the Swap Meet Association
- Hearing on March 11, 2009 for the reappointment of five existing Board Members: K. Ahina, N. Oyadomari, M. Klompus, A. Kane, K. Chong Kee

Comptroller Saito shared his concerns that there could be a conflict with certain issues discussed at Authority meetings if a vendor becomes a member of the Authority. He also noted there would have to be a selection process or election among the vendors.

#### B. Stadium Manager's Report

#### Advertising Concession

Officially announced CBS is on board as the Stadium's advertising agent. He introduced Glen Higa, General Manager of Aloha Sports Properties, a

Division of CBS Collegiate Sports Properties, Inc. Mr. Higa thanked the Board and said their goal is to take the Stadium to new heights, making it a great experience for all of the clients of the Stadium.

## Stadium Engineer

Pleased to announce Stadium Engineer, Ming-Yang Tan, who joined the stadium on February 6, 2009.

#### Stadium Construction

The start of Stadium construction (mauka north end of the roof and the bridge stiffening) began immediately after the February 16, 2009 Great Aloha Run. Manager Chan extended his appreciation to Comptroller Saito for his assistance. Construction will continue for the next five (5) years.

#### Pro Bowl – February 8, 2009

It was another successful Bowl Game with a sell-out crowd of over 49,000. Management is working with HTA to assist in securing a contract for the years 2011-2012.

## Great Aloha Run (G.A.R.)

On its 25<sup>th</sup> year, the G.A.R. attracted one of its largest crowds (over 24,000). Unfortunately, the festivities were marred by the death of one of its participants shortly after finishing the race.

#### Field Turf

Replacement of the field turf is under negotiations with the Hawaii Tourism Authority (HTA).

Manager Chan noted that his staff has provided the Board with their reports and are available to answer any questions.

# C. Approval of Events

Navy Morale Welfare and Recreation Pearl Harbor (MWR)
 Kam Lot Overflow Parking
 April 4, 2009 (Saturday)

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER INOUYE TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

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University of Hawaii
 2009 Spring Football Game
 April 25, 2009 (Saturday)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER MARCUS TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

3. Aloha Youth Lacrosse Association, Inc. Youth Lacrosse Games
May 17, 2009 (Sunday)

Manager Chan said due to the ongoing construction, there are certain events that he and his staff would not recommend approving. In reviewing this event and the crowd expectancy, they feel it would not be prudent to jeopardize their safety, as well as the quality of service that would be required by the licensee. He also noted that they do have the option of locating elsewhere.

The general consensus by the Authority, Comptroller Saito and Manager Chan, was that, "approval for new events during the construction period should not be granted due to safety issues and possible delays in construction. Exceptions could be made on a case-by-case basis if the licensee has no other options and there are no safety issues."

# NO MOTION WAS MADE TO ACCEPT THIS EVENT.

4. PH Corp.
 dba: RT Enterprise
 "Hot Rod Picnic & Parades"
 Parking Section 1-4
 July 3, 2009 (Friday)

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER KLOMPUS TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

#### D. UHAD MONTHLY REPORT (UH)

Athletic Director, Jim Donovan, expressed concerns that within two years UH's out-of-pocket expenses at the Stadium has almost doubled. He is requesting:

- The Authority review the Administrative Rules to perhaps calculate out-of-pocket expenses in a different manner. The present rules require all expenses be charged to the clients;
- Be given some relief on expenses and/or possibly receive a share of Stadium's net revenues (surplus from concessions, parking, signage, merchandising sales, etc.);
- The Stadium be fair in its allocation of expenses to all clients; as an example, they are charged for stand-by elevator service, but others also use the elevators:

# Comments by Authority Members and Management

Member Fong advised Mr. Donovan that the Legislature is also requesting financial assistance from the Stadium for the State deficit. He also noted that UH was given a large concession by waiving their rent for their football program.

Mr. Donovan responded, now that the expenses have almost doubled, the reduction in rent has little impact.

Manager Chan said the Stadium is definitely looking for a solution and is doing its best to be as fair and equitable across the board with all clients, not just with UH. There are several situations with UH that can be reviewed and management is looking at ways in which to do so.

Member Klompus suggested that the Authority revisit the rules by assigning a sub-committee.

Chairman Chong Kee advised Ms. Klompus that discussion of the rules is on today's agenda.

Member Marcus said since everything is governed by the Administrative Rules, immediate action is not possible. He also noted they were not aware of Mr. Donovan's issues, but would take them into account when the subcommittee meets this afternoon. After the sub-committee decides on a set of rules reflecting everyone's views, they will take it to the Authority for review and approval, then to Mr. Nishiyama for the rule changing process.

Member Inouye stated the procedures in allocating expenses and what is fair and equitable are issues that need to be determined. She also noted that currently the Administrative Rules do not allow flexibility. It basically states that we shall not share in any concession fees or revenues

from parking or anything else. The other issue that is not covered and needs to be addressed is the sharing of profits or revenues.

Manager Chan stated he has no reservations in terms of how Aloha Stadium's business is handled. However, he does feel there is room for discussion which should take place at the earliest opportunity with the Rental Fees Committee. He also said there is a formula used which needs to be reviewed with the sub-committee. When the UH rent was waived, there were costs that had to be passed on which the Stadium paid for through rental income -- there are many issues that need to be addressed and reviewed.

Comptroller Saito stated if an independent body would like to change a rule, it can petition the Authority to accomplish the change. He also noted, in this respect, it is very difficult to be on the Board and be fair to both the Board and the University.

# E. CENTERPLATE/SWAP MEET MONTHLY REPORT (Report distributed)

Swap Meet Manager Roseann Chang presented the monthly report and made one correction – the report is for the month of January (not February).

- Total attendance dropped 10.5%
- Total paid attendance dropped 5.6%
- Total Stalls Sales dropped 7.2%
- The D,E, and F Total Stall Sales dropped 8.5%
- The A,B, and C Total Stall Sales showed a slight increase of .4%
- Lion Dance performance to celebrate Chinese New Year on January 25, 2009
- On February 22, 2009, they held a food drive to benefit the Hawaii Food Bank (free admission with a canned good donation). It generated 350 customers and resulted in a donation of 321 pounds of food
- Samantha Spain of PCF Virtual (consulting firm, contracted by Centerplate), is officially on board and will be working on their website; marketing plans; rack cards to be placed at the major Waikiki hotels; and organizing special events on a monthly basis for the Swap Meet.

Chairman Chong Kee received an email from Jim Cablay who objected to Centerplate's police officer alerting incoming customers (mainly owners of Dodge Chargers) to take responsibility of their personal items since they are experiencing automobile break-ins. Davy Murayama said the thieves have been focusing on Dodge Chargers and that the police officer's actions are part of their theft awareness program. In addition, someone stole a vendor's generator which Centerplate (for security reasons) proceeded to inform the other vendors.

#### IV. UNFINISHED BUSINESS – DISCUSSION AND APPROPRIATE ACTION

A. Aloha Stadium Rental Fee - Discussion and review of current rental fees for events at Aloha Stadium.

Member Marcus reported the committee has met and made some recommended changes to the rules which were forwarded to Mr. Nishiyama for his input. The committee anticipates presenting those changes to the Authority within the next month or two.

B. Aloha Stadium Repair Work – Update from Comptroller Russ Saito on the Stadium repair project or any update involving Aloha Stadium.

Comptroller Saito said there are no changes to his January report. They are close to receiving approval of \$10.4 million by the Legislature to cover several repair projects at the Stadium.

C. Aloha Stadium Swap Meet – Report from sub-committee for the new Aloha Stadium Swap Meet RFP

Member Tamayose stated the sub-committee met and has completed a final draft of the RFP for review and discussion by the Board.

A MOTION WAS MADE BY MEMBER AHINA AND SECONDED BY MEMBER FONG TO GO INTO AN EXECUTIVE SESSION AT 11:40 A.M. THE MOTION CARRIED UNANIMOUSLY.

The meeting reconvened at 1:50 P.M.

# V. <u>NEW BUSINESS – DISCUSSION AND APPROPRIATE ACTION</u>

A. Aloha Stadium Administrative Rules for Events at Aloha Stadium – Discussion and review of current rules for events at Aloha Stadium.

Chairman Chong Kee recommended discussion on this matter be continued at the next Board meeting.

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- VI. <u>NEXT MEETING MARCH 19, 2009</u>
- VII. <u>ADJOURNMENT</u>

1:51 P.M.

KEVIN CHONG KEE

CHAIRMAN

Recorded by: <u>Diana C. Ho</u>

Approval Date: March 19, 2009